

UNIVERSITY OF VIRGINIA TAX DEFERRED SAVINGS PROGRAM (403(b))

NOTICE OF AUTOMATIC ENROLLMENT AND DEFAULT INVESTMENT

Beginning in 2008, as a result of the House Bill 1830, the University of Virginia is making saving for retirement under the University of Virginia Tax Deferred Savings Program (the "Plan") even easier by offering an automatic enrollment feature. If you do not elect to contribute to or opt-out of the Plan, you will be automatically enrolled 60 days after your date of employment. If you make an election to contribute to or opt-out of the Plan, this automatic enrollment feature will not change your election.

If you are automatically enrolled in the Plan, \$40 per month (\$20 per pay period for biweekly paid) will be taken from your pay and contributed to your Plan account. The University will match 50% of the amount you contribute, up to a maximum of \$20 per month. If you do not want to contribute \$40 per month (\$20 per pay period for biweekly paid) to the Plan, you must take action. You may elect to contribute more or less, or you may opt-out of the Plan. To do so you must log into Benefits@ on the HR website www.hr.virginia.edu. If you do nothing, the automatic \$40 per month (\$20 per pay period for biweekly paid) contribution election will apply each pay period until you change your election. Once you are in the Plan (for more than 90 days), you may not withdraw funds from your Plan account until you separate from service.

The amounts in your Plan account are invested with the Plan Provider of your choice: TIAA-CREF, or Fidelity Investments. Each Plan Provider offers a diverse set of investment options. Log on to www.hr.virginia.edu for more information on the Plan Providers and the available investment options. If you do not select a Plan Provider, your contributions and the University's matching contributions will be invested in the Plan's default investment with Fidelity Investments.

The Plan's default investment is the Fidelity Freedom Fund that corresponds to your estimated date of retirement. The Fidelity Freedom Funds are known as lifecycle funds. The Fidelity Freedom Funds invest in a number of other Fidelity mutual funds to provide an overall investment mix that is generally considered appropriate for investors at the corresponding stage of retirement planning. The Fidelity Freedom Fund's strategy for creating the right mix of underlying investments (e.g., equity (stocks), fixed-income (bonds), and short-term mutual funds (cash equivalents), etc.) is based on the number of years expected to reach the fund's target retirement date. Each Fidelity Freedom Fund's investment mix will change over time to become more conservative by gradually reducing the percentage of equity funds and increasing the percentage of fixed-income and short-term funds. Exhibit A provides a more detailed explanation of the Fidelity Freedom Funds.

You have the right to change the investment of your Plan account at any time. If you elect to change the investment of your Plan account, there may be restrictions, fees, or expenses imposed in connection with that transfer. You may obtain a copy of the prospectus or information statement for each investment option by logging on to www.hr.virginia.edu and navigating to the link of your desired Plan Provider's website.

If you have questions about this notice, please contact the Office of Employee Benefits at 914 Emmet, by phone at (434) 982-0123, or by logging on to our website at www.hr.virginia.edu.

Fidelity Freedom Funds® Information

What they are:	<p>The Fidelity Freedom Funds are investment options that allow the investor to select the fund that best matches his or her expected retirement year. The Fidelity Freedom Funds invest in a diversified portfolio of other Fidelity mutual funds to provide moderate asset allocation. They are designed for investors who want a simple yet diversified approach to investing for their retirement. The allocation strategy for the underlying equity, fixed-income, and short-term mutual funds is based on the number of years until the Freedom funds reach their target retirement dates. Each Freedom fund with a target retirement date will gradually adopt a more conservative asset allocation as it approaches its target retirement date. Therefore, each fund's target asset allocation percentages will change over time to become more conservative, by gradually reducing allocations to equity funds and increasing allocations to fixed-income and short-term funds. The Fidelity Freedom Income Fund®, designed for those already in retirement, emphasizes fixed-income and short-term mutual funds and seeks to maintain a stable asset allocation from year to year.</p>
Their goal:	<p>The Fidelity Freedom funds with target retirement dates seek to provide high total returns until the target retirement date. Thereafter, each fund's goal will be to seek high current income and, as a secondary objective, capital appreciation. The Freedom Income Fund seeks high current income and, secondarily, capital appreciation.</p>
What they invest in:	<p>Each Freedom fund invests in a diversified portfolio of Fidelity equity, fixed-income, and short-term mutual funds. Fidelity Freedom 2050, with the longest time horizon, invests primarily in equity mutual funds to take advantage of potentially greater growth opportunities. The asset mix of each Freedom fund with a target retirement date (Freedom 2000, 2005, 2010, 2015, 2020, 2025, 2030, 2035, 2040, 2045, and 2050) will gradually become more conservative over time so investors can stay with the same fund before and during retirement. After reaching the target retirement date, these Freedom funds continue to be managed more conservatively for 10 to 15 more years until their asset mix is approximately the same as Freedom Income Fund. Ultimately, after notifying the funds' investors, the funds will merge into the Freedom Income Fund. The Freedom Income Fund, designed for those already retired, is invested more conservatively, with a larger percentage in fixed-income and short-term funds and has a smaller percentage of equity mutual funds. The funds' manager must invest in the group of underlying funds named in the prospectus, and will aim for the projected target asset allocation percentages announced to investors in the funds' annual and semiannual reports. Freedom funds with target retirement dates may invest in domestic and foreign equity funds, high yield and investment grade fixed-income funds, and short-term funds. The Freedom Income Fund invests in domestic equity funds, investment grade fixed-income funds, high yield bond funds and short-term funds. These funds are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risk associated with investing in high yield, small cap, and foreign securities. Share price and return of each Freedom fund will vary.</p>